



RESOLUTION

REQUESTING THAT THE NASHUA LEGISLATIVE DELEGATION CONSIDER
CHANGES TO THE ASSET LIMITS IN THE QUALIFICATION TESTS FOR THE
ELDERLY TAX EXEMPTION

CITY OF NASHUA

In the Year Two Thousand and Four

RESOLVED by the Board of Aldermen of the City of Nashua that the attached letter expressing the board's support for changes to exclude interest-bearing assets such as 401(k) plans from the asset test for the elderly tax exemption be transmitted to the Nashua legislative delegation for consideration.

Board of Aldermen

City of Nashua

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Nashua, NH 03061-2019

(603)589-3030

Brian S. McCarthy

Alderman-at-Large



Date: 28-September-2004

To: Members of the Nashua legislative delegation

Cc: Board of Aldermen, Nashua, NH

Subj: Proposed changes to the elderly property tax exemption

To the honorable members of the Senate and the General Court of New Hampshire:

I am writing to you on behalf of the Board of Aldermen of the City of Nashua to request that members of the delegation submit legislation to enhance the provisions of the tax exemption for senior citizens.

Increasingly, our senior citizens must depend upon the value of their investments to provide them with retirement income. As you are aware, the current language of RSA72:39-a provides tests for both annual income and total assets in order to qualify for the exemption.

Unfortunately, a side effect of these tests is that a person who lives from the interest paid by investments may well have a modest annual income which would qualify, but be disqualified by the value of the assets that generate that income. For example, a person drawing \$30,000 per year from a pension plan in Nashua would qualify, but a similar person drawing \$30,000 per year from a 401(K) plan would likely not qualify because they have control of the assets which create the income.

We would urge you to consider changes to the asset language which would exempt certain or all assets whose interest or dividends are included in the income test.

Sincerely,

Brian S. McCarthy
President, Board of Aldermen
Nashua, NH